

109TH CONGRESS
1ST SESSION

H. R. 3759

To amend the Internal Revenue Code of 1986 to allow withdrawals from qualified retirement plans without penalty by individuals within areas determined by the President to be disaster areas by reason of Hurricane Katrina.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2005

Mr. WYNN (for himself and Mr. LEWIS of Kentucky) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow withdrawals from qualified retirement plans without penalty by individuals within areas determined by the President to be disaster areas by reason of Hurricane Katrina.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PENALTY-FREE WITHDRAWALS FROM QUALI-**
4 **FIED RETIREMENT PLANS FOR INDIVIDUALS**
5 **WITHIN HURRICANE KATRINA DISASTER**
6 **AREA.**

7 (a) IN GENERAL.—Paragraph (2) of section 72(t) of
8 the Internal Revenue Code of 1986 (relating to 10-percent

1 additional tax on early distributions from qualified retire-
2 ment plans) is amended by adding at the end the following
3 new subparagraph:

4 “(G) DISTRIBUTIONS TO VICTIMS OF HUR-
5 RICANE KATRINA.—Distributions made before
6 December 31, 2006, to individuals who reside
7 within, or hold real property located within, an
8 area determined by the President to warrant
9 assistance from the Federal Government under
10 the Robert T. Stafford Disaster Relief and
11 Emergency Assistance Act by reason of Hurri-
12 cane Katrina. Distributions shall not be taken
13 into account under the preceding sentence if
14 such distributions are described in subpara-
15 graph (A), (D), (E), or (F) or to the extent
16 paragraph (1) does not apply to such distribu-
17 tions by reason of subparagraph (B).”.

18 (b) CONFORMING AMENDMENT.—Clause (i) of sec-
19 tion 401(k)(2)(B) of such Code is amended by striking
20 “or” at the end of subclause (III), by striking “and” at
21 the end of subclause (IV) and inserting “or”, and by in-
22 serting after subclause (IV) the following new subclause:

23 “(V) a distribution described in
24 section 72(t)(2)(G), and”.

1 (c) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to distributions received after the
3 date of the enactment of this Act, in taxable years ending
4 after such date.

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